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(213) 960-1936  
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8 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
9 INTERNATIONAL

RECEIVED

OCT 20 1995

HUB LAW OFFICES

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF MARIN

13 CHURCH OF SCIENTOLOGY ) CASE NO. 157 680  
INTERNATIONAL, a California not- )  
14 for-profit religious corporation, ) [CONSOLIDATED]  
15 )  
16 Plaintiff, ) DECLARATION OF LAURIE J.  
BARTILSON IN SUPPORT OF  
17 ) CHURCH OF SCIENTOLOGY  
INTERNATIONAL'S MOTION FOR  
18 vs. ) RETURN OF MONEY DEPOSITED  
WITH THE COURT  
19 GERALD ARMSTRONG, et al., ) [C.C.P. §§ 529(a); 995.360;  
995.710]  
20 )  
DATE: November 17, 1995  
21 ) TIME: 9:00 a.m.  
DEPT: 1  
22 Defendants. ) TRIAL DATE: Vacated

23 LAURIE J. BARTILSON deposes and says:

24 1. My name is Laurie J. Bartilson and I am one of the  
25 attorneys responsible for the representation of the plaintiff,  
26 Church of Scientology International, in this action. I have  
27 personal knowledge of the facts set forth in this Declaration and  
28 could competently testify thereto if called as a witness.

1           2.     Attached hereto and incorporated herein are true and  
2 correct copies of documents submitted as exhibits in support of  
3 the Church of Scientology International's motion for return of  
4 money deposited with the Court:

5           Exhibit A:       Letter from Laurie Bartilson to Ford Greene  
6                           dated October 9, 1995;

7           Exhibit B:       Order of Preliminary Injunction issued May  
8                           28, 1992 in this action;

9           Exhibit C:       Receipt for deposit of seventy thousand  
10                          dollars (\$70,000) with the Clerk of the Los  
11                          Angeles Superior Court in lieu of a bond;

12          Exhibit D:       Receipt for the transfer of \$70,000 to Marin  
13                          Superior Court;

14          Exhibit E:       Order of Permanent Injunction, entered in  
15                          this action on October 17, 1995;

16          Exhibit F:       Letter of February 7, 1995 Proposed Order re  
17                          Summary Adjudication of the Fourth and Sixth  
18                          Causes of Action in this case;

19          Exhibit G:       Order summarily adjudicating the thirteenth,  
20                          sixteenth, seventeenth and nineteenth causes  
21                          of action in this action;

22          Exhibit H:       Order summarily adjudicating the 2nd and 3rd  
23                          causes of action in Armstrong's cross-  
24                          complaint in Los Angeles action in the  
25                          Church's favor;

26          Exhibit I:       Order summarily adjudicating Armstrong's  
27                          cross-complaint in the Marin action in the  
28                          Church's favor;



1 Exhibit J: Armstrong's petition for bankruptcy, filed on  
2 April 19, 1995;

3 3. On October 9, 1995, I sent a letter to Ford Greene by  
4 telefax in which I requested that he stipulate to a return of the  
5 Church's \$70,000 deposit.

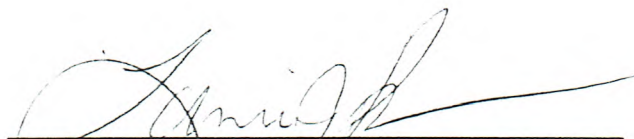
6 4. On October 9, 1995, I sent a letter to Ford Greene by  
7 telefax in which I requested that he stipulate to a return of the  
8 Church's \$70,000 deposit. On October 10, 1995, I spoke to Mr.  
9 Greene. He acknowledged that he had received my letter, but  
10 stated that he had not had time to review it and that he would  
11 get to it "when he could." I have had no further response to my  
12 letter from Mr. Greene.

13 5. Armstrong appealed the entry of preliminary injunction  
14 against him. On May 16, 1994, the Second District Court of  
15 Appeal affirmed the injunction.

16 6. I have been informed by both the Marin clerk and the  
17 Los Angeles clerk that the interest earned on the \$70,000 was not  
18 transferred to the Marin Superior Court along with the \$70,000.  
19 The Los Angeles clerk's office acknowledged to me that the  
20 interest should also have been calculated and transferred, but  
21 this has not yet been done.

22 I declare under the penalty of perjury under the laws of the  
23 State of California that the foregoing is true and correct.

24 Executed this 18th day of October, 1995, at Los Angeles,  
25 California.

26  
27   
28 Laurie J. Bartilson





MOXON & BARTILSON  
ATTORNEYS AT LAW  
6255 SUNSET BOULEVARD  
SUITE 2000  
HOLLYWOOD, CALIFORNIA 90028  
TELEPHONE (213) 960-1936  
TELECOPIER (213) 953-3351

KENDRICK L. MOXON

LAURIE J. BARTILSON

ALSO ADMITTED IN  
THE DISTRICT OF COLUMBIA

ALSO ADMITTED IN  
MASSACHUSETTS

October 9, 1995

BY TELEFAX AND U.S. MAIL

Ford Greene, Esq.  
Hub Law Offices  
711 Sir Francis Drake Blvd.  
San Anselmo, California 94960-1949

Re: Church of Scientology International v. Gerald Armstrong  
MSC 157 680

Dear Mr. Greene:

On Friday, October 6, 1995, I hand-served you with proposed orders concerning the two summary adjudication motions which Judge Thomas heard and decided on that date. I am enclosing additional copies with this letter.

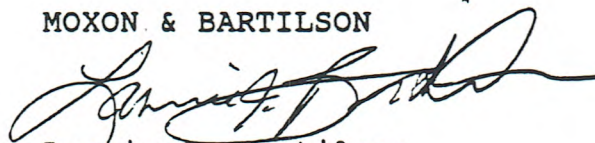
Please forward your approval of the form of these proposed orders to me promptly, or notify me of any errors.

If I do not hear from you promptly I will submit the orders for the judge's signature as prepared, with a letter to the court explaining your lack of response.

Additionally, my client intends to move promptly for immediate return of the bond which it was required to post at the time that a preliminary injunction was entered. Kindly inform me if you will stipulate to the entry of an order returning the bond and, if not, your grounds for opposing the motion.

Sincerely,

MOXON & BARTILSON



Laurie J. Bartilson

LJB:aeu

cc: Andrew H. Wilson, Esq.





SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Schigian, Judge  
1

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International  
vs.

Counsel For  
Plaintiff

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
 Honorable **Ronald M. Sohigian**, Judge  
 1a

**M. Cervantes**, Deputy Clerk  
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
 Honorable **Ronald M. Sohigian**, Judge  
 1b

**M. Cervantes**, Deputy Clerk  
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.



SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Sohigian, Judge  
1c

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International  
vs.

Counsel For  
Plaintiff

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN  
\_\_\_\_\_  
RONALD M. SOHIGIAN  
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.





CASE NO BC 052395

MISCELLANEOUS RECEIPT  
SUPERIOR COURT  
LOS ANGELES COUNTY  
CALIFORNIA

M 087505

SUPERIOR COURT DEPARTMENT Filing Finance

CUSTOMER'S RECEIPT

DATE 6/5/92

RECEIVED FROM Bowles, Moxon

INDICATE WHICH EVER APPLIES					
ATTY FOR	<input type="checkbox"/>	PLTF	<input type="checkbox"/>	DEPT	<input type="checkbox"/>

\$ 70,000.00

Seventy thousand only DOLLARS

FOR Dep. per minute order filed 5/28/92

Undertaking

CASH Tex CHECK 097688 MAIL # \_\_\_\_\_

Church of Scientology

VS PLAINTIFF

Gerald Armstrong et al.

DEFENDANT

Bejs

DEPUTY





HOWARD HANSON  
MARIN CO CLERK

01/19/95

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157680 #  
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TOTL 70000.00  
CHEK 70000.00  
CHNG 0.00

01 05 A000 16:12  
THANK YOU









1 defendant Armstrong appeared by his attorney, Ford Greene. Having read and  
2 considered the moving and opposing papers, and the evidence and arguments  
3 presented therein and at the hearing, and good cause appearing:

4 **IT IS ORDERED:**

5 The Church's motion for summary adjudication of the twentieth cause of  
6 action of the Second Amended Complaint is GRANTED. The Court finds that there  
7 is no triable issue of material fact as to any of the following:

- 8 1. Plaintiff and defendant freely and voluntarily entered into a Mutual  
9 Release of All Claims and Settlement Agreement ("Agreement") in December,  
10 1986.
- 11 2. Plaintiff performed all of its obligations pursuant to the Agreement.
- 12 3. Defendant Armstrong received substantial consideration for the  
13 promises which he made in the Agreement.
- 14 4. Since 1990, defendant Armstrong has repeatedly breached  
15 paragraphs 7(D), 7(E), 7(H), 7(G), 10, 18(D) and 20 of the Agreement.
- 16 5. Between 1991 and the present, Armstrong breached paragraphs 7(G),  
17 7(H) and 10 of the Agreement by providing voluntary assistance, exclusive of  
18 testimony made pursuant to a valid subpoena, to the following private individuals,  
19 each of whom was pressing a claim or engaged in litigation with plaintiff and/or  
20 one or more of the designated beneficiaries of the Agreement:
  - 21 \* Vicki and Richard Aznaran, anti-Scientology litigants in the case of  
22 Vicki Aznaran, et al. v. Church of Scientology International, United States  
23 District Court for the Central District of California, Case No. CV 88-1786  
24 (JMI) [Sep.St.Nos. 11-16];
  - 25 \* Joseph A. Yanny, anti-Scientology litigant in the case of Religious  
26 Technology Center et al. v. Joseph Yanny, et al., Los Angeles Superior  
27 Court No. C 690211 and Religious Technology Center et al. v. Joseph  
28 Yanny, et al., Los Angeles Superior Court No. BC 033035 [Sep.St.Nos. 17-



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- 20);
- Malcolm Nothling, anti-Scientology litigant in the matter between Malcolm Nothling and the Church of Scientology in South Africa, Adi Codd, Diane Kemp, Glen Rollins; Supreme Court of South Africa (Witwatzbrand Local Division) Case No. 19221/88. [Sep.St.Nos. 21-24];
  - Reader's Digest Corporation, anti-Scientology litigant in the case of Church of Scientology of Lausanne vs. Kiosk AG, Basel, Switzerland [Sep.St.Nos. 25-26];
  - Richard Behar, anti-Scientology litigant in the case of Church of Scientology International v. Time Warner, Inc.; Time Inc. Magazine Company and Richard Behar, United States District Court, Southern District of New York, Case No. 92 Civ. 3024 PKL [Sep.St.Nos. 27-28];
  - Steven Hunziker, anti-Scientology litigant in the case of Hunziker v. Applied Materials, Inc., Santa Clara Superior Court Case No. 692629 [Sep.St.Nos. 29-33];
  - David Mayo, anti-Scientology litigant in the case of Religious Technology Center v. Robin Scott, et al., United States District Court for the Central District of California, Case No. 85-711 [Sep.St.Nos. 34-35];
  - Cult Awareness Network, anti-Scientology litigant in the case of Cult Awareness Network v. Church of Scientology International, et al., Circuit Court of Cook County, Illinois, No. 94L804 [Sep.St.Nos. 38-39];
  - Lawrence Wollersheim, anti-Scientology litigant in the cases of Lawrence Wollersheim v. Church of Scientology of California, Los Angeles Superior Court Number C332027 and Church of Scientology of California v. Lawrence Wollersheim, Los Angeles Superior Court Number BC074815 [Sep.St.Nos. 40-42];
  - Ronald Lawley, anti-Scientology litigant in the cases of Religious Technology Center, et al. vs. Robin Scott, et al., U.S. District Court, Central



1 District of California, Case No. 85-711 MRP(Bx); Matter Between Church of  
2 Scientology Advanced Organization Saint Hill Europe and Africa, and Robin  
3 Scott, Ron Lawley, Morag Bellmaine, Stephen Bisbey in the High Court of  
4 Justice Queen's Bench Division, Case 1984 S No. 1675; and Matter  
5 Between Church of Scientology Religious Education College Inc., and Nancy  
6 Carter, Ron Lawley, Steven Bisbey, in the High Court of Justice Queen's  
7 Bench Division, Case 1986 C No. 12230 [Sep.St.Nos. 43-44];  
8 \* Uwe Geertz and Steven Fishman, anti-Scientology litigants in the case  
9 of Church of Scientology International v. Steven Fishman, et al., United  
10 States District Court for the Central District of California Number 91-6426  
11 HLH(Tx) [Sep.St.Nos. 45-46];  
12 \* Tilly Good, a claimant against the Church of Scientology, Mission of  
13 Sacramento Valley [Sep.St.Nos. 36-37];  
14 \* Denise Cantin, a claimant against the Church of Scientology of Orange  
15 County; Church of Scientology of Boston; and Church of Scientology, Flag  
16 Service Organization [Sep.St.Nos. 36-37]; and  
17 \* Ed Roberts, a claimant against the Church of Scientology of  
18 Stevens Creek [Sep.St.Nos. 36-37].  
19 6. Between 1992 and the present, Armstrong breached paragraph 7(D)  
20 of the Agreement by contacting media representatives, granting interviews and  
21 attempting to assist media representatives in the preparation for publication or  
22 broadcast magazine articles, newspaper articles, books, radio and television  
23 programs, about or concerning the Church and/or other persons and entities  
24 referred to in paragraph 1 of the Agreement. These media representatives  
25 included:  
26 \* Cable Network News: reporter Don Knapp, in March, 1992  
27 [Sep.St.Nos. 47-48];  
28 \* American Lawyer Magazine: reporter Bill Horne, in March, 1992



- 1 [Sep.St.No. 49];
- 2 \* Los Angeles Times: reporter Bob Welkos, in May, 1992; and reporter
- 3 Joel Sappell, in June, 1993 [Sep.St.Nos. 50-51];
- 4 \* CAN Video Interview, with anti-Scientologists "Spanky" Taylor and
- 5 Jerry Whitfield, in November, 1992 [Sep.St.No. 52];
- 6 \* KFOX Radio: interview planned but prevented in April, 1993
- 7 [Sep.St.No. 53];
- 8 \* Newsweek Magazine: reporter Charles Fleming, in June, 1993 and
- 9 August, 1993 [Sep.St.No. 54-56];
- 10 \* Daily Journal: reporter Mike Tipping, in June, 1993 [Sep.St.No. 57];
- 11 \* Time Magazine: reporter Richard Behar, in March, 1992 and in June,
- 12 1993 [Sep.St.Nos. 58-59];
- 13 \* San Francisco Recorder: reporter Jennifer Cohen, in August, 1993
- 14 [Sep.St.No. 60];
- 15 \* E! Entertainment Network: reporter Greg Agnew, in August, 1993
- 16 [Sep.St.No. 61];
- 17 \* WORD Radio: Pittsburgh, Pennsylvania, interviewed in the fall of 1993
- 18 [Sep.St.No. 62];
- 19 \* St. Petersburg Times: St. Petersburg, Florida, reporter Wayne Garcia,
- 20 in the fall of 1993 [Sep.St.No. 63];
- 21 \* Premiere Magazine: letter to the editor, in October, 1993 [Sep.St.No.
- 22 64];
- 23 \* Mirror-Group Newspapers: United Kingdom, in May, 1994
- 24 [Sep.St.No. 65];
- 25 \* Gauntlet Magazine: New York, New York, reporter Rick Cusick in
- 26 June, 1994 [Sep.St.No. 66];
- 27 \* Pacific Sun Newspaper: reporter Rick Sine, in June and July, 1994
- 28 [Sep.St.No. 67];



1 \* Disney Cable: reporter Marsha Nix, in August, 1994 [Sep.St.No. 68];  
2 and

3 \* Tom Voltz: Swiss author writing a book about Scientology, in  
4 October, 1994 [Sep.St.No. 69].

5 7. Between 1992 and the present, Armstrong breached paragraph 7(D)  
6 of the Agreement by preparing and distributing at least three manuscripts  
7 concerning his claimed experiences in and with Scientology, including a treatment  
8 for a screenplay which he intends to turn into a film [Sep.St.Nos.70-71].

9 8. Between 1991 and the present, Armstrong further breached  
10 paragraph 7(D) of the Agreement by disclosing his claimed experiences in or with  
11 Scientology to each of the following persons or groups, not previously identified:  
12 Robert Lobsinger [Sep.St.No. 72]; the New York Times [Sep.St.No. 73]; Toby  
13 Plevin, Stuart Culter, Anthony Laing, Kent Burtner, and Margaret Singer  
14 [Sep.St.No. 74]; Priscilla Coates [Sep.St.No. 75]; Omar Garrison [Sep.St.No. 76];  
15 Vaughn and Stacy Young [Sep.St.No. 77]; a Stanford University psychology class  
16 [Sep.St.No. 78]; attendees at the 1992 Cult Awareness Network Convention  
17 [Sep.St.No. 79]; and Hana Whitfield [Sep.St.No. 80].

18 9. Defendant Armstrong has reiterated numerous times that he intends  
19 to continuing breaching the Agreement unless he is ordered by the Court to cease  
20 and desist [Sep.St.Nos. 87-97].

21 10. Plaintiff's legal remedies are inadequate insofar as the scope of the  
22 relief ordered below is concerned. Tamarind Lithography Workshop, Inc. v. Sanders  
23 (1983) 143 Cal.App.3d 571, 577-578, 193 Cal.Rptr. 409, 413.

24 Accordingly, the Court finds that entry of a permanent injunction in this  
25 action is necessary in this action because pecuniary compensation could not afford  
26 the Church adequate relief, and the restraint is necessary in order to prevent a  
27 multiplicity of actions for breach of contract. Civil Code § 3422(1),(3). A ORDER  
28 of injunction is therefore entered as follows:



1 Defendant Gerald Armstrong, his agents, employees, and persons acting in  
2 concert or conspiracy with him are restrained and enjoined from doing directly or  
3 indirectly any of the following:

- 4 1. Voluntarily assisting any person (not a governmental organ or  
5 entity) intending to make, intending to press, intending to arbitrate, or  
6 intending to litigate a claim, regarding such claim or regarding pressing,  
7 arbitrating, or litigating it, against any of the following persons or entities:
- 8 o The Church of Scientology International, its officers, directors, agents,  
9 representatives, employees, volunteers, successors, assigns and legal  
10 counsel;
  - 11 o The Church of Scientology of California, its officers, directors, agents,  
12 representatives, employees, volunteers, successors, assigns and legal  
13 counsel;
  - 14 o Religious Technology Center, its officers, directors, agents,  
15 representatives, employees, volunteers, successors, assigns and legal  
16 counsel;
  - 17 o The Church of Spiritual Technology, its officers, directors, agents,  
18 representatives, employees, volunteers, successors, assigns and legal  
19 counsel;
  - 20 o All Scientology and Scientology affiliated Churches, organizations and  
21 entities, and their officers, directors, agents, representatives,  
22 employees, volunteers, successors, assigns and legal counsel;
  - 23 o Author Services, Inc., its officers, directors, agents, representatives,  
24 employees, volunteers, successors, assigns and legal counsel;
  - 25 o The Estate of L. Ron Hubbard, its executor, beneficiaries, heirs,  
26 representatives, and legal counsel; and/or
  - 27 o Mary Sue Hubbard;

28 (Hereinafter referred to collectively as "the Beneficiaries");



1                   2.     Voluntarily assisting any person (not a governmental organ or  
2     entity) defending a claim, intending to defend a claim, intending to defend an  
3     arbitration, or intending to defend any claim being pressed, made, arbitrated  
4     or litigated by any of the Beneficiaries, regarding such claim or regarding  
5     defending, arbitrating, or litigating against it;

6                   3.     Voluntarily assisting any person (not a governmental organ or  
7     entity) arbitrating or litigating adversely to any of the Beneficiaries;

8                   4.     Facilitating in any manner the creation, publication, broadcast,  
9     writing, filming audio recording, video recording, electronic recording or  
10    reproduction of any kind of any book, article, film, television program, radio  
11    program, treatment, declaration, screenplay or other literary, artistic or  
12    documentary work of any kind which discusses, refers to or mentions  
13    Scientology, the Church, and/or any of the Beneficiaries;

14                  5.     Discussing with anyone, not a member of Armstrong's  
15    immediate family or his attorney, Scientology, the Church, and/or any of the  
16    Beneficiaries;

17                  In addition, it is ORDERED that, within 20 days of the issuance of this Order,  
18    Armstrong shall:

19                  1.     Return to the Church any documents which he now has in his  
20    possession, custody or control which discuss or concern Scientology, the  
21    Church and/or any person or entity referred to in paragraph 1 of the "Mutual  
22    Release of All Claims and Settlement Agreement" of December, 1986, other  
23    than documents which have been filed in this litigation.

24                  It is further ORDERED that during the pendency of this litigation, documents  
25    which have been filed in this litigation may be retained by Armstrong's counsel.  
26    Those documents are to remain sealed, in the possession of Mr. Greene or any  
27    successor counsel, and may not be distributed to third parties. At the conclusion  
28    of the instant litigation, it is ORDERED that all documents from this case in



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counsel's possession which do not comprise counsel's work product will be delivered to counsel for plaintiff. Counsel's work product may be retained by Armstrong's counsel.

DATED: \_\_\_\_\_, 1995

OCT 17 1995

GARY W. THOMAS

THE HONORABLE GARY W. THOMAS  
SUPERIOR COURT JUDGE



MOXON & BARTILSON  
ATTORNEYS AT LAW  
6255 SUNSET BOULEVARD  
SUITE 2000  
HOLLYWOOD, CALIFORNIA 90028  
TELEPHONE (213) 960-1936  
TELECOPIER (213) 953-3351

KENDRICK L. MOXON

LAURIE J. BARTILSON

ALSO ADMITTED IN  
THE DISTRICT OF COLUMBIA

ALSO ADMITTED IN  
MASSACHUSETTS

February 7, 1995

The Honorable Gary W. Thomas  
Marin Superior Court  
Department 1  
Hall of Justice  
3501 Civic Center Drive  
San Rafael, California 94903-3904

Re: Church of Scientology International v. Gerald Armstrong,  
Marin County No. 157 680

Dear Judge Thomas:

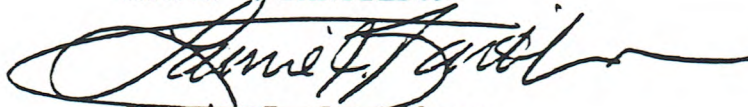
Enclosed is a proposed order re motion of plaintiff for summary adjudication of the fourth, sixth and eleventh causes of action of plaintiff's second amended complaint and application of plaintiff to strike or seal supplemental declaration of Gerald Armstrong filed in support of motion for summary adjudication.

The proposed order was sent to opposing counsel Ford Greene and Michael Walton by fax and mail on January 30, 1995. Mr. Greene approved the order as to form and sent me a faxed signature page, a copy of which is enclosed. Mr. Walton did not respond.

A self-addressed, stamped envelope is also enclosed, along with an extra copy of the order. I would appreciate it if you would have your clerk send me a conformed copy of the signed order.

Sincerely,

MOXON & BARTILSON



Laurie J. Bartilson

LJB:aeu  
Enc.  
cc: Andrew H. Wilson, Esq.  
cc: Michael Walton, Esq.  
cc: Ford Greene, Esq.



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11 Hollywood, CA 90028  
12 (213) 960-1936  
13 Telefax: (213) 953-3351

14 Attorneys for Plaintiff  
15 CHURCH OF SCIENTOLOGY  
16 INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY  
20 INTERNATIONAL, a California not-  
21 for-profit religious corporation,

22 Plaintiff,

23 vs.

24 GERALD ARMSTRONG; DOES 1 through  
25 25, inclusive,

26 Defendants.

) CASE NO. 157 680  
) [CONSOLIDATED]  
) [PROPOSED] ORDER RE MOTION  
) OF PLAINTIFF FOR SUMMARY  
) ADJUDICATION OF THE FOURTH,  
) SIXTH AND ELEVENTH CAUSES  
) OF ACTION OF PLAINTIFF'S  
) SECOND AMENDED COMPLAINT  
) AND APPLICATION OF  
) PLAINTIFF TO STRIKE OR SEAL  
) SUPPLEMENTAL DECLARATION OF  
) GERALD ARMSTRONG FILED IN  
) SUPPORT OF MOTION FOR  
) SUMMARY ADJUDICATION  
)  
) DEPT: 1  
)  
)  
) TRIAL DATE: May 18, 1995

1 This matter came on for hearing on January 27, 1995, on motion  
2 of Plaintiff Church of Scientology International for Summary  
3 Adjudication of the Fourth, Sixth and Eleventh Causes of Action of  
4 the Second Amended Complaint, and on January 26, 1995, on motion  
5 of Plaintiff for an Order Striking Armstrong's Late-Filed  
6 Supplemental Declaration in Opposition to Plaintiff's Motion for  
7 Summary Adjudication of the Fourth, Sixth and Eleventh Causes of  
8 Action of the Second Amended Complaint, or, in the Alternative,  
9 for an Order Sealing Exhibits A and M to Said Declaration and  
10 Request for Sanctions Pursuant to California Code of Civil  
11 Procedure § 437c(i).

12 Plaintiff Church of Scientology International appeared by its  
13 attorneys, Andrew H. Wilson of Wilson, Ryan & Campilongo and  
14 Laurie J. Bartilson of Moxon & Bartilson. Defendant Armstrong  
15 appeared by his attorney, Ford Greene. Having read and considered  
16 the moving and opposing papers, and the evidence and arguments  
17 presented therein and at the hearings, and good cause appearing:

18 IT IS ORDERED:

19 1. The Motion of Plaintiff for Summary Adjudication of Issues  
20 as to the Fourth Cause of Action of the Second Amended Complaint  
21 is GRANTED in favor of Plaintiff, Church of Scientology  
22 International, and against Defendant, Gerald Armstrong, in the  
23 amount of \$50,000.

24 2. The Motion of Plaintiff for Summary Adjudication of Issues  
25 as to the Sixth Cause of Action of the Second Amended Complaint is  
26 GRANTED in favor of Plaintiff, Church of Scientology  
27 International, and against Defendant, Gerald Armstrong, in the  
28 amount of \$50,000.



1 3. The Motion of Plaintiff for Summary Adjudication of Issues  
2 as to the Eleventh Cause of Action of the Second Amended Complaint  
3 is DENIED.

4 4. As to all causes of action, Defendant fails to raise a  
5 triable issue as to whether the liquidated damages provision is  
6 invalid. Defendant relies on the law as it existed prior to July  
7 1, 1978. (See United Sav. & Loan Assn. v. Reeder Dev. Corp.  
8 (1976) 57 Cal.App.3d 282 and earlier versions of Civ.Code, §§ 1670  
9 and 1671.) The law now presumes that liquidated damages  
10 provisions are "valid unless the party seeking to invalidate the  
11 provision establishes that the provision was unreasonable under  
12 the circumstances existing at the time the contract was made."  
13 (Civ.Code, § 1671, Subd.(b).) Defendant's evidence is not  
14 sufficient to raise a triable issue in that regard. Although  
15 Defendant states in his declaration that he was not involved in  
16 negotiating the provision (See D's Ex. 1, ¶12), he goes on to  
17 state that he discussed the provision with two attorneys before  
18 signing the agreement. (Id. ¶¶12-13.) Thus, he clearly knew of  
19 the provision yet chose to sign it. He has not shown that he had  
20 unequal bargaining power or that he made any efforts to bargain or  
21 negotiate with respect to the provision. (See H.S. Perlin Co. v.  
22 Morse Signal Devices (1989) 209 Cal.App.3d 1289.) Defendant next  
23 states that Plaintiff's actual damages are zero. (Defendant's  
24 Exhibit 1, ¶12.) However, "the amount of damages actually  
25 suffered has no bearing on the validity of the liquidated damages  
26 provision. . . ." (See Law Revision Commission Comment to §  
27 1671.) Finally, Defendant points to the fact that other  
28 settlement agreements contain a \$10,000 liquidated damages



1 provision. (See Defendant's Exhibits 2C and 2D.) This alone is  
2 not sufficient to raise a triable issue in that Defendant has not  
3 shown that circumstances did not change between 12/86 and 4/87 and  
4 that those settling parties stand in the same or similar position  
5 to Defendant (i.e., that they were as high up in the organization  
6 and could cause as much damage by speaking out against Plaintiff  
7 or that they have/had access to as much information as Defendant).

8 5. Defendant also has not raised a triable issue regarding  
9 duress. Defendant's own declaration shows he did not execute the  
10 agreement under duress in that it shows that he carefully weighed  
11 his options. (See Defendant's Exhibit 1, ¶10.) It certainly does  
12 not show that he did something against his will or had "no  
13 reasonable alternative to succumbing." (See In Re Marriage of  
14 Baltins (1989) 212 Cal.App.3d 66, 84. In addition, Defendant is  
15 relying on the conduct of a third party (Flynn) to establish  
16 duress, yet he sets forth no fact or evidence in his separate  
17 statement showing that Plaintiff had reason to know of the duress.  
18 (See Leeper v. Beltrami (1959) 53 Cal.2d 195, 206.)

19 6. As to the fourth cause of action, contrary to Defendant's  
20 argument, the subject declaration does more than merely  
21 authenticate documents. (See Plaintiff's Exhibit 1(A)(11), ¶¶1-  
22 3.) The Court finds that the declaration constitutes a disclosure  
23 of Defendant's "experiences with" Plaintiff or "knowledge or  
24 information" concerning Plaintiff and Hubbard. (See Plaintiff's  
25 Exhibit 1B, ¶7D.) Defendant fails to raise a triable issue  
26 regarding obstruction of justice/suppression of evidence. The  
27 settlement agreement expressly does not prohibit Defendant from  
28 disclosing information pursuant to subpoena or other legal



1 process. (See Plaintiff's Exhibit 1B, ¶H; Contrast with Pen.  
2 Code, §§ 136.1 and 138, Williamson v. Superior Court (1978) 21  
3 Cal.3d 829, People v. Pic'l (1982) 31 Cal.3d 731.) Nor is  
4 Plaintiff in this cause of action seeking to prohibit disclosure  
5 to government agencies conducting investigations pursuant to  
6 statutory obligations. (Contrast with Mary R. v. B. & R. Corp.  
7 (1983) 149 Cal.App.3d 308 and Allen v. Jordanos' Inc., (1975) 52  
8 Cal.App.3d 160.) Even if a portion of the agreement could be  
9 construed to so prohibit (See, e.g., Plaintiff's Exhibit 1B, ¶10),  
10 Plaintiff is not relying on that section. Nor has Defendant shown  
11 that the provision is so substantial as to render the entire  
12 contract illegal. (Contrast with Allen, supra, 52 Cal.App.3d at  
13 166.)

14 7. As to the sixth cause of action, Defendant fails to raise a  
15 triable issue regarding the CNN interview. Defendant admitted in  
16 his deposition that his conversation with CNN involved knowledge  
17 he had gained because of his years of experience with the  
18 organization (Plaintiff's Exhibit 1A at 344:1-4), thus refuting  
19 his arguments that his statement was based on knowledge acquired  
20 after the settlement agreement and that his interview was directly  
21 related to the instant litigation. In addition, Plaintiff set  
22 forth no facts or evidence in his separate statement showing that  
23 he could disclose information acquired after execution of the  
24 settlement agreement or that he could make such statements in the  
25 context of future litigation. Finally, there is nothing in the  
26 statement which ties it to either of the arguments raised by  
27 Defendant. Defendant also fails to raise a triable issue  
28 regarding The American Lawyer interview. Defendant's claim that



1 he only discussed the instant litigation is refuted by his own  
2 admission that he discussed "the plight of the organization [and]  
3 what it would take to end its legal troubles." (Defendant's  
4 Exhibit 1D at 352:15-19.) Defendant's claim that his discussion  
5 involved "nothing more than what Judge Breckenridge stated in his  
6 decision in Armstrong I" is refuted by his admission that he did  
7 not recall discussing the Breckenridge opinion with the reporter.  
8 (Defendant's Exhibit 1D at 358:20-23.) Further, Defendant points  
9 to nothing in Judge Breckenridge's opinion which coincides to  
10 those matters discussed by Defendant.

11 8. As to the Eleventh Cause of Action, Plaintiff has not shown  
12 that Defendant violated paragraph 7D of the settlement agreement.  
13 The declaration relied on by Plaintiff (Plaintiff's Exhibit.  
14 1(A)(8)) does not disclose Defendant's "experiences with the  
15 Church of Scientology [or] any knowledge or information he may  
16 have concerning the Church of Scientology. . . ."

17 9. Defendant Armstrong filed a supplemental declaration and  
18 evidence six days late. The Court did not permit same. The  
19 Plaintiff's Motion to Strike the Supplemental papers from the file  
20 is GRANTED. Plaintiff's request for sanctions is GRANTED.  
21 Defendant and his counsel knew the lateness of the filing, some  
22 six days. There was ample time to seek the Court's permission for  
23 a late filing. Permission was not sought. Sanctions requested by  
24 Plaintiff pursuant to Code of Civil Procedure Section 437C(i) are  
25 granted in the amount of \$700, as the Court finds this six-days

26 ///

27 ///

28 ///



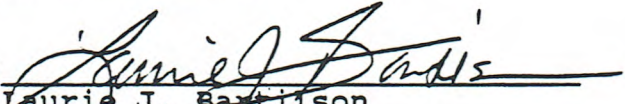
1 late filing to be in bad faith. Defendant is ordered to pay \$700  
2 to plaintiff on or before February 16, 1995.

3 Dated: February \_\_\_\_, 1995  
4  
5

\_\_\_\_\_  
GARY W. THOMAS  
Judge of the Superior Court

7 Submitted by:

8 Andrew H. Wilson  
9 WILSON, RYAN & CAMPILONGO  
10 MOXON & BARTILSON

11 By:   
12 Laurie J. Bartilson  
13 Attorneys for Plaintiff  
14 CHURCH OF SCIENTOLOGY  
15 INTERNATIONAL

16 APPROVED AS TO FORM:

17 By: \_\_\_\_\_  
18 Ford Greene, Esq.  
19 HUB LAW OFFICES  
20 Attorney for Defendants  
21 GERALD ARMSTRONG and THE GERALD  
22 ARMSTRONG CORPORATION

23 By: \_\_\_\_\_  
24 Michael Walton, Esq.  
25 Attorney for Defendants MICHAEL  
26 WALTON and SOLINA WALTON  
27  
28

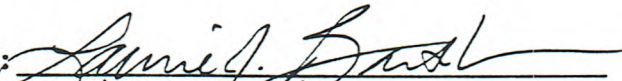
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6 GARY W. THOMAS  
7 Judge of the Superior Court

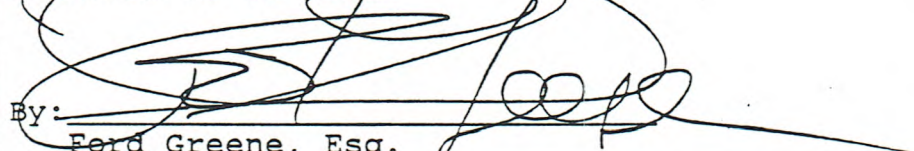
8 Submitted by:

9 Andrew H. Wilson  
10 WILSON, RYAN & CAMPILONGO  
11 MOXON & BARTILSON

12 By:   
13 Laurie J. Bartilson

14 Attorneys for Plaintiff  
15 CHURCH OF SCIENTOLOGY  
16 INTERNATIONAL

17 APPROVED AS TO FORM:

18   
19 By: Ford Greene, Esq.  
20 HUB LAW OFFICES  
21 Attorney for Defendants  
22 GERALD ARMSTRONG and THE GERALD  
23 ARMSTRONG CORPORATION  
24  
25  
26  
27  
28

29 By: \_\_\_\_\_  
30 Michael Walton, Esq.  
31 Attorney for Defendants MICHAEL  
32 WALTON and SOLINA WALTON  
33  
34  
35  
36  
37  
38





**FILED**

OCT 17 1995

HOWARD HANSON  
MARIN COUNTY CLERK  
by J. Steele, Deputy

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14 Attorneys for Plaintiff  
15 CHURCH OF SCIENTOLOGY  
16 INTERNATIONAL

*AW*

17 SUPERIOR COURT OF THE STATE OF

18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY  
20 INTERNATIONAL, a California not-  
21 for-profit religious corporation,

22 Plaintiff,

23 vs.

24 GERALD ARMSTRONG; DOES 1 through  
25 25, inclusive,

26 Defendants.

) CASE NO. BC 157680

) [PROPOSED]

) ORDER OF SUMMARY JUDGMENT  
) AS TO THE THIRTEENTH,  
) SIXTEENTH, SEVENTEENTH, AND  
) NINETEENTH CAUSES OF ACTION

) DATE: October 6, 1995

) TIME: 9:00 a.m.

) DEPT: 1

) TRIAL DATE: Vacated

27 This matter came on for hearing on October 6, 1995, on  
28 motion of plaintiff Church of Scientology International ("the  
Church") for Summary Adjudication of the Thirteenth, Sixteenth,  
Seventeenth, and Nineteenth Causes of Action of the Second  
Amended Complaint. Plaintiff Church of Scientology International



1 appeared by its attorneys, Andrew H. Wilson of Wilson, Ryan &  
2 Campilongo and Laurie J. Bartilson of Bowles & Moxon, defendant  
3 Armstrong appeared by his attorney, Ford Greene. Having read and  
4 considered the moving and opposing papers, and the evidence and  
5 arguments presented therein and at the hearing, and good cause  
6 appearing:

7 IT IS ORDERED:

8 1. The Motion of Plaintiff for Summary Adjudication of  
9 Issues as to the Thirteenth, Sixteenth, Seventeenth, and  
10 Nineteenth Causes of Action of the Second Amended Complaint is  
11 GRANTED in favor of Plaintiff, Church of Scientology  
12 International, and against Defendant, Gerald Armstrong, in the  
13 amount of \$200,000.

14 Plaintiff has met its burden of showing that defendant  
15 breached the settlement agreement and that it is entitled to  
16 liquidated damages of \$50,000 for each breach. Defendant has  
17 failed to raise a triable issue as to any of the causes of  
18 action, as follows:

19 INVALIDITY OF LIQUIDATED DAMAGES PROVISION: Defendant's  
20 evidence regarding his attorneys' failure to represent his  
21 interests (see Facts 43 and 68) is hearsay and/or not based on  
22 personal knowledge. The opinion of defendant's attorney as to  
23 the validity of the provision (see, e.g., Facts 52-54, 57-60) is  
24 irrelevant and hearsay. The fact that two other clients signed a  
25 settlement agreement containing the same liquidated damages  
26 amount (see Facts 55-56 and 63-64) does not raise an inference  
27 that the provision was unreasonable. Defendant's evidence is  
28 insufficient to raise a reasonable inference of unequal



1 bargaining power (no personal knowledge shown that plaintiff, as  
2 opposed to Flynn, positioned defendant as a "deal breaker";  
3 Flynn's statements hearsay; no personal knowledge shown of  
4 plaintiff's wealth; wealth alone does not raise inference of  
5 unequal bargaining power since no showing defendant desperate for  
6 money and had to accept on plaintiff's terms). Defendant's  
7 evidence does not raise an inference that plaintiff's calculation  
8 is "unfathomable" (Fourteenth Cause of Action seeks \$50,000 for  
9 each of 18 letters; Nineteenth Cause of Action is based only on  
10 declarations, not on other contacts between defendant and  
11 attorney/other clients). Defendant fails to establish how he  
12 knows plaintiff had not been injured by his statements at the  
13 time of settlement.

14 DURESS: Flynn's statements to defendant are hearsay. (See,  
15 e.g., D's Facts 1C and 1D.) Further, defendant has not shown  
16 that plaintiff was aware of Flynn's purported duress of  
17 defendant. (See *Leeper v. Beltrami* (1959) 53 Cal.2d 195, 206.)  
18 Contrary to defendant's statement about duress, "careful weighing  
19 of options" is completely inconsistent with an absence "of the  
20 free exercise of his will power" or his having "no reasonable  
21 alternative to succumbing." (See *Philippine Export & Foreign*  
22 *Loan Guarantee Corp. v. Chuidian* (1990) 218 Cal.App.3D 1058,  
23 1078; *In Re Marriage of Baltins* (1989) 212 Cal.App.3D 66, 84.)

24 FRAUD: Flynn's statements to defendant (see Fact 78) are  
25 hearsay. The Court finds that the portions of the agreement  
26 cited by defendant (see Facts 79 and 80) do not establish a  
27 mutual confidentiality requirement. Paragraph 7(I) only  
28 prohibits the parties from disclosing information in litigation



1 between the parties; paragraph 18(D) only prohibits disclosure of  
 2 the terms of the settlement; defendant has not shown that  
 3 plaintiff did either of those things. Further, "[s]omething more  
 4 than nonperformance is required to prove the defendant's  
 5 intention not to perform his promise." (*Tanzer v. Superscope,*  
 6 *Inc.* (1985) 39 Cal.3d 18, 30-31).

7 NO SPECIFIC PERFORMANCE, BREACH OF EXPRESS AND IMPLIED  
 8 COVENANT: Defendant relies on the purported mutuality  
 9 requirement, which he has failed to establish.

10 FIRST AMENDMENT: First Amendment rights may be waived by  
 11 contract. (See *ITT Telecom Products Corp. v. Dooley* (1989) 214  
 12 Cal.App.3D 307, 319.)

13 2. The plaintiff has asked that the exhibits which were  
 14 previously ordered sealed be stricken as they are trade secrets,  
 15 irrelevant to this motion. This request is GRANTED. They are  
 16 not relevant. Further, they were filed by Mr. Armstrong in pro  
 17 per when he is, in fact, represented by counsel.

18 Dated: October \_\_\_\_, 1995

19 OCT 17 1995

20 GARY W. THOMAS

21 GARY W. THOMAS  
 22 Judge of the Superior Court

23 Approved as to form:  
 24

25  
 26 Ford Greene  
 27 Attorney for Defendants Gerald  
 28 Armstrong and the Gerald Armstrong  
 Corporation





## SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
2	C. AGUIRRE	, Deputy Sheriff	LINDA NISHIMOTO #9147	, Reporter
		, C.S.L.		, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for  
PlaintiffMICHAEL LEE HERTZBERG (x)  
LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for  
Defendant

FORD GREENE (x)

NO LEGAL FILE

## NATURE OF PROCEEDINGS:

**MOTION BY CROSS-DEFENDANT, CHURCH OF SCIENTOLOGY INTERNATIONAL, FOR SUMMARY ADJUDICATION OF THE SECOND AND THIRD CAUSES OF ACTION OF THE CROSS-COMPLAINT;**

Motion for Summary Adjudication of a Cause of Action (SACA) GRANTED. No triable issues of material facts. The 2nd and 3rd Causes of Action have no merit. CCP 437c(f)(1).

## 3rd Cause of Action - Breach of Contract.

Undisputed Facts: #1-9, essentially Undisputed, Cross-Defendant has accurately described the provisions of the Agreement; #10, not sufficiently disputed, Undisputed; #11, Undisputed; #12, no sufficiently disputed, Undisputed; #13, Undisputed; #14, Undisputed; #15, not sufficiently disputed, Undisputed; #16, Undisputed.

The Agreement terms are clear and unambiguous. Cross-Complainant understood the terms and signed it. The duties and obligations of the Agreement are clearly stated. "Mutuality" and "reciprocal" duties cannot be read into the unambiguous terms of the Agreement.

There are no provisions in the Agreement prohibiting the Cross-Defendant from referring to Cross-Complainant with the press or in legal pleadings or declarations. Cross-Complainant's beliefs as to what the Agreement should have said, it's validity, or what his attorney said or did to him are not relevant. The Agreement itself acknowledges that no agreements or understandings have been made among the parties aside from those set forth in the Agreement.

## 2nd Cause of Action - Abuse of Process.

Undisputed Facts: #17, not sufficiently disputed, Undisputed; #18, not sufficiently disputed, Undisputed; #19, Disputed; #20, Disputed, not material; #21, not sufficiently disputed, Undisputed; #22, Undisputed; #23, Disputed as to time discovered by Church counsel; #24,

Page 1 of 3 Pages



## SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
2a	C. AGUIRRE	, Deputy Sheriff	LINDA NISHIMOTO #9147	, Reporter
		, C.S.L.		, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for  
PlaintiffMICHAEL LEE HERTZBERG (x)  
LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for  
Defendant

FORD GREENE (x)

NO LEGAL FILE

## NATURE OF PROCEEDINGS:

disputed as to motivation, otherwise Undisputed; #25, not sufficiently disputed, Undisputed; #26, Undisputed; #27, disputed as to word "further", otherwise Undisputed; #28, Disputed, but not material; #29, Undisputed; #30, Undisputed that Marin Court granted a motion to Transfer; #31, Undisputed, except for term "irreparably harmed; #32, Undisputed; #33, Undisputed; #34, not sufficiently disputed, Undisputed; #35, Undisputed.

A One Year Statute of Limitations applies to an Abuse of Process cause of action. Code of Civil Procedure Section 340. Conduct allegedly occurring prior to July 22, 1991 is precluded by the one year Statute. Conduct alleged in paragraphs 13-24, 26 and 27, 29 and 30, 33-38, 40, 43-48 and para 57 are alleged to have occurred before 7/22/91 and are time barred.

The alleged conduct constituting "abuse of process" contained in paragraphs 49, 51, 52 and 55 does not constitute such abuse of process. That is, there are no allegations concerning the abuse of court process which constitutes a cause of action.

Communications with "some relation" to judicial proceedings have been absolutely immune from tort liability by the privilege codified as section 47(b). Albertson v. Raboff.

The alleged conduct of bringing suit, contained in paragraphs 53 and 54, is not sufficient to state a cause of action for "abuse of process. The filing or maintaining of a lawsuit cannot support a claims for abuse of process. The filing of a suit to enforce the Settlement Agreement cannot support claims for abuse of process.

The conduct alleged in para 50, ie, the filing of a complaint and the use of a declaration speaking of Cross-Complainant, does not constitute abuse of process and is privileged.

Paragraph 52 alleged conduct relating to declarations filed in a case in which the Cross-Complainant is not a party. Such conduct does not constitute abuse of process and is privileged.



SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
2b	C. AGUIRRE	, Deputy Sheriff	LINDA NISHIMOTO #9147	, Reporter
		, C.S.L.		, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for Plaintiff

MICHAEL LEE HERTZBERG (x)  
LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for Defendant

FORD GREENE (x)

NO LEGAL FILE

NATURE OF PROCEEDINGS:

MOTION FOR SUMMARY ADJUDICATION OF SECOND AND THIRD CAUSES OF ACTION OF THE CROSS-COMPLAINT OF GERALD ARMSTRONG, GRANTED.

David A. Horowitz

DAVID A. HOROWITZ, JUDGE

This is the order called for by Code of Civil Procedure Section 437c(f) and Code of Civil Procedure Section 437c(g). No other written order is required.

A copy of this order is sent this date via U.S. Mail addressed as follows:

MICHAEL LEE HERTZBERG  
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FORD GREENE  
HUB LAW OFFICES  
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Hollywood, CA 90028  
7 (213) 463-4395  
8 TELEFAX: (213) 953-3351

Attorneys for Plaintiff  
9 CHURCH OF SCIENTOLOGY  
INTERNATIONAL

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF MARIN

12 CHURCH OF SCIENTOLOGY )  
13 INTERNATIONAL, a California not- )  
for-profit religious corporation, )

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Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through  
25, inclusive,

Defendants.

FILED

OCT 25 1994

H. W. ...  
MARIN COUNTY CLERK  
BY: E. Keenick Deputy

CASE NO. 157 680  
[PROPOSED] ORDER  
CONCERNING MOTIONS FOR  
SUMMARY JUDGMENT

TRIAL DATE: September 29,  
1994

1           This matter came on for hearing on September 9, 1994, on  
2 motion of plaintiff Church of Scientology International  
3 ("Church") for Summary Judgment on Gerald Armstrong's Cross-  
4 complaint, and on motion of defendant, Gerald Armstrong  
5 ("Armstrong") for Summary Judgment or, alternatively, Summary  
6 Adjudication on the Church's Complaint. Church appeared by its  
7 attorneys, Andrew H. Wilson of Wilson, Ryan & Campilongo and  
8 Laurie J. Bartilson of Bowles & Moxon, Armstrong appeared by his  
9 attorney, Ford Greene. Having read and considered the moving and  
10 opposing papers, and the evidence and arguments presented therein  
11 and at the hearing, and good cause appearing:

12           IT IS ORDERED:

13           1.     The motion of plaintiff/Cross-defendant Church of  
14 Scientology International for summary judgment on the cross-  
15 complaint of Gerald Armstrong is GRANTED.

16           2.     Armstrong's claim based on the Miscavige declaration is  
17 barred by the absolute judicial privilege of Civil Code Section  
18 47, Subdivision (b). The declaration was provided in a judicial  
19 proceeding. (See Second Amended Cross-Complaint, ¶169.) The  
20 communication was made by a participant authorized by law  
21 (Undisputed Fact 7). Contrary to Armstrong's argument, the  
22 communication was made "to achieve the objects of the litigation:  
23 and has "some connection or logical relation to the action." (See  
24 Undisputed Facts 4 and 5.) Armstrong attempts to raise a triable  
25 issue of fact by showing that the Miscavige declaration was  
26 submitted in connection with a discovery related matter while the  
27 Young declaration was submitted in connection with a summary  
28 judgment motion. This evidence is not sufficient to raise a



1 triable issue. First, Armstrong cites no evidence showing the  
2 context in which Young's declaration was submitted. Second, and  
3 more importantly, "proceeding" is not limited to the particular  
4 issue before the court at that moment. (See Radar v. Thrasher  
5 (1972) 22 Cal.App.3d 883, 889.) The statements by Miscavige go  
6 to Armstrong's motives and credibility in testifying as to the  
7 matters set forth in the narrative statement. (See Undisputed  
8 Fact 5.) Thus, there is "some connection" to the Fishman action,  
9 and by its action in submitting the declaration, Church is  
10 clearly trying to achieve an object of the litigation by having  
11 the trier of fact not believe Armstrong.

12 3. Armstrong's claim based on misuse of financial records  
13 obtained through discovery fails. Church's evidence shows that  
14 it used the financial records only to prepare for trial in this  
15 action. (Fact 17, citing Exhibits 3 and 4.) Armstrong's efforts  
16 to raise a triable issue fail. First, his attempt to show a  
17 violation of a protective order is not sufficient in that it does  
18 not show any efforts by Church to "accomplish[] . . . an improper  
19 purpose" or to "obtain an unjustifiable collateral advantage".  
20 (i.e., no "use" of the discovery documents). (Younger v. Solomon  
21 (1974) 38 Cal.App.3d 289, 297.) Second, his evidence regarding  
22 the document titled "Who is Gerald Armstrong?" is not sufficient  
23 in that it does not show that any statement in that document was  
24 based on his personal financial information. In fact, every  
25 statement in the document was contained in Church's original  
26 complaint. (Compare Exhibit 1(N), p. 4 with Complaint, ¶¶ 2 and  
27 39.)

28 4. Armstrong's motion for summary judgment or,



1 alternatively, summary adjudication on Church's complaint is  
2 DENIED. First, Church brings this action under Civil Code  
3 Section 3439.04, not 3439.05 (See Complaint ¶¶ 29-31, 36-38);  
4 thus, proof of insolvency is not required. Second, the truth or  
5 falsity of Armstrong's religious beliefs are not relevant in  
6 determining, for example, whether Armstrong received "reasonably  
7 equivalent" consideration and whether he knew or should have  
8 known he would incur a debt to Church beyond his ability to pay.  
9 (§ 3439.04, Subd. (b).) Third, this action does not require the  
10 court to establish any religion. The religious beliefs of the  
11 parties are irrelevant in determining the issues in this action.

12 5. Armstrong filed many of his opposition papers three  
13 days late (due 8/26, filed 8/29). The court has considered the  
14 late filed papers. However, Armstrong shall pay sanctions in the  
15 amount of \$49, payable to the clerk of the court within 10 days.

16 Dated: ~~September~~<sup>Oct</sup> 20, 1994

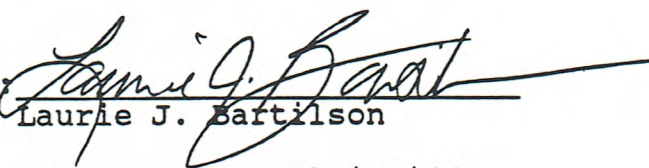
17  
18 GARY W. THOMAS

19 GARY W. THOMAS  
20 Judge of the Superior Court

21 Submitted by:

22 Andrew H. Wilson  
23 WILSON, RYAN & CAMPILONGO

24 BOWLES & MOXON

25 By:   
26 Laurie J. Bartilson

27 Attorneys for Plaintiff  
28 CHURCH OF SCIENTOLOGY  
INTERNATIONAL



1 APPROVED AS TO FORM:

2

3

4 By: \_\_\_\_\_

Ford Greene, Esq.  
HUB LAW OFFICES  
Attorney for Defendants  
GERALD ARMSTRONG and THE GERALD  
ARMSTRONG CORPORATION

7

8

9 By: \_\_\_\_\_

Michael Walton, Esq.  
Pro Se

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28





1 Gerald Armstrong  
715 Sir Francis Drake Boulevard  
2 San Anselmo, CA 94960  
(415)456-8450  
3 In Propria Persona


4  
5 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
6 FOR THE COUNTY OF MARIN

7 CHURCH OF SCIENTOLOGY INTERNATIONAL,) No. 157 680  
a California not-for-profit )  
8 religious corporation, )  
9 Plaintiff, )  
10 vs. ) GERALD ARMSTRONG'S  
NOTICE OF FILING  
11 GERALD ARMSTRONG; MICHAEL WALTON; ) CHAPTER 7 BANKRUPTCY  
THE GERALD ARMSTRONG CORPORATION ) PETITION AND  
12 a California for-profit ) IMPOSITION OF  
corporation; DOES 1 through 100, ) AUTOMATIC STAY  
13 inclusive, )  
14 Defendants. )  
15

16 TO THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF MARIN, AND ALL  
17 PARTIES AND ATTORNEYS OF RECORD HEREIN:

18 PLEASE TAKE NOTICE that on April 19, 1995, Gerald Armstrong,  
19 defendant herein, in propria persona, filed a petition for  
20 Bankruptcy under Chapter 7 of the United States Bankruptcy Code,  
21 in the U.S. Bankruptcy Court for the Northern District of  
22 California, and an automatic stay was ordered as to all  
23 proceedings against said debtor. It is unlawful for any person,  
24 without the permission of said Bankruptcy Court, to take any  
25 actions against the debtor's property. A copy of the face page of  
26 said petition, No. 95 10911, is appended hereto.

27 DATED: April 19, 1995

28 By:   
Gerald Armstrong



FORM 1. VOLUNTARY PETITION

United States Bankruptcy Court  
NORTHERN District of CALIFORNIA

VOLUNTARY  
PETITION

IN RE (Name of debtor - if individual, enter Last, First, Middle) <b>Armstrong, Gerald</b>	NAME OF JOINT DEBTOR (Spouse)(Last, First, Middle)
ALL OTHER NAMES used by the debtor in the last six years <b>NONE</b>	ALL OTHER NAMES used by the joint debtor in the last six years
SOC. SEC./TAX ID. NO. (if more than one, state all) <b>265-81-2049</b>	SOC. SEC./TAX ID. NO. (if more than one, state all)
STREET ADDRESS OF DEBTOR (No. and street, city, state, zip) <b>715 Sir Francis Drake Blvd. San Anselmo, CA 94960</b>	STREET ADDRESS OF JOINT DEBTOR (No. and street, city, state, zip)
Phone: (415) 456-8450 Work: Same County of Residence or Principal Place of Business <b>Marin</b>	County of Residence or Principal Place of Business
MAILING ADDRESS OF DEBTOR (if different from street address) <b>SAME</b>	MAILING ADDRESS OF JOINT DEBTOR (if different from street address)
LOCATION OF PRINCIPAL ASSETS OF BUSINESS DEBTOR (if different from above) <b>NOT APPLICABLE</b>	VENUE <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in the District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

INFORMATION REGARDING DEBTOR (Check applicable boxes)

<p>TYPE OF DEBTOR</p> <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Joint (Husband and Wife) <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____ <input type="checkbox"/> Corporation Publicly Held <input type="checkbox"/> Corporation Not Publicly Held <input type="checkbox"/> Municipality	<p>CHAPTER or SECTION of BANKRUPTCY CODE UNDER WHICH the PETITION is FILED</p> <input checked="" type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Sec. 304-Case Ancillary to Foreign Proceeding
<p>NATURE OF DEBT</p> <input checked="" type="checkbox"/> Non-Business/Consumer <input type="checkbox"/> Business-Complete A & B below	<p>FILING FEE (Check one box)</p> <input checked="" type="checkbox"/> Filing fee attached. <input type="checkbox"/> Filing fee to be paid in installments. (Applicable to individuals only.) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.
<p>A. TYPE OF BUSINESS (Check one box)</p> <input type="checkbox"/> Farming <input type="checkbox"/> Transportation <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Professional <input type="checkbox"/> Manufacturing/ <input type="checkbox"/> Construction <input type="checkbox"/> Retail/Wholesale <input type="checkbox"/> Mining <input type="checkbox"/> Real Estate <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Other Business	<p>NAME AND ADDRESS OF LAW FIRM OR ATTORNEY</p> <p>Telephone No. _____</p>
<p>B. BRIEFLY DESCRIBE NATURE OF BUSINESS</p> <p><b>JEFFRY G. LOCKE, Trustee P. O. Box 488 Kentfield, CA 94914-0488</b></p>	<p>NAME(S) OF ATTORNEY(S) DESIGNATED TO REPRESENT THE DEBTOR</p> <p><b>95 10911</b></p>
<input checked="" type="checkbox"/> Debtor is not represented by an attorney. Phone: (415) 456-8450	

STATISTICAL/ADMINISTRATIVE INFORMATION (U.S.C. § 604)(Estimates only) (Check applicable boxes)

<input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.							
ESTIMATED NUMBER OF CREDITORS							
1-15	16-49	50-99	100-199	200-999	1000-over		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
ESTIMATED ASSETS (in thousands of dollars)							
Under 50	50-99	100-499	500-999	1000-9999	10,000-99,999	100,000-over	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESTIMATED LIABILITIES (in thousands of dollars)							
Under 50	50-99	100-499	500-999	1000-9999	10,000-99,999	100,000-over	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESTIMATED NUMBER OF EMPLOYEES - CH. 11 & 12 ONLY							
0	1-19	20-99	100-999	1000-over			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
ESTIMATED NUMBER OF EQUITY SECURITY HOLDERS - CH. 11 & 12 ONLY							
0	1-19	20-99	100-499	500-over			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

THIS SPACE FOR COURT USE ONLY

ORIGINAL FILED  
ORDER FOR RELIEF  
95 APR 19 AM 11:32  
KEENAN G. CASADY, CLERK  
U.S. BANKRUPTCY COURT  
NORTHERN DIST. OF CA.  
SANTA ROSA, CA.



1 PROOF OF SERVICE

2 I am employed in the county of Marin, State of  
3 California. I am over the age of eighteen years and not a party  
4 to the above entitled action. My business address is 711 Sir  
5 Francis Drake Boulevard, San Anselmo, California 94960. I served  
6 the foregoing document(s) described as:

7 **GERALD ARMSTRONG'S NOTICE OF FILING CHAPTER 7 BANKRUPTCY  
8 PETITION**

9 on the following persons on the date set forth below, by placing a  
10 true copy thereof enclosed in a sealed envelope with postage  
11 thereon fully prepaid to be placed in the United States Mail at  
12 San Anselmo, California:

13 Laurie J. Bartilson, Esquire FAX & MAIL  
14 BOWLES & MOXON  
15 6255 Sunset Boulevard, Suite 2000  
16 Los Angeles, CA 90028

17 Andrew H. Wilson, Esquire FAX & MAIL  
18 Wilson, Ryan & Campilongo  
19 115 Sansome Street, Suite 400  
20 San Francisco, CA 94104

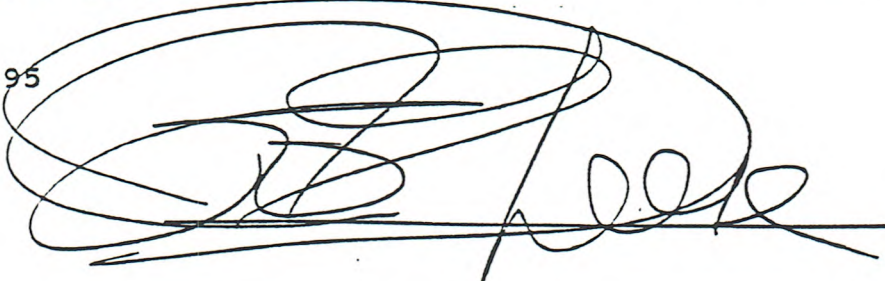
21 Michael L. Walton, Esquire FAX & MAIL  
22 P.O. Box 751  
23 San Anselmo, CA 94979

24 [X] (By Mail) I caused such envelope with postage thereon  
25 fully prepaid to be placed in the United  
26 States Mail at San Anselmo, California.

27 [ ] (Personal) I caused said papers to be personally served  
28 on the office of counsel.

[X] (State) I declare under the penalty of perjury under  
the laws of the State of California that the  
above is true and correct.

DATED: April 19, 1995



PROOF OF SERVICE

STATE OF CALIFORNIA            )  
  )    ss.  
COUNTY OF LOS ANGELES        )

I am employed in the County of California, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Hollywood, CA 90028.

On October 18, 1995 I served the foregoing document described as DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF CHURCH OF SCIENTOLOGY INTERNATIONAL'S MOTION FOR RETURN OF MONEY DEPOSITED WITH THE COURT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

Ford Greene  
HUB Law Offices  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

MICHAEL WALTON  
700 Larkspur Landing Circle  
Suite 120  
Larkspur, CA 9493

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.



Executed on October 18, 1995 at Los Angeles, California.

[ ] **\*\* (BY PERSONAL SERVICE)** I delivered such -- envelopes by hand to the offices of the addressees.

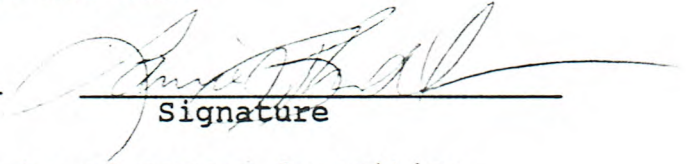
Executed on October 18, 1995, at San Rafael, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie Bartilson

Print or Type Name



Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)